

HARVEY SMITH
Nedco, a Wogtburne Division
1820 Burrard Street
Vancouver, B.C.
VC 33H6

Dear Harvey,

This letter is to recap our conversation. I appreciate your concern about the VC-II Market Place. I am writing this to assure you that General Instruments will not turn off any boards, more specifically 010's, 019's, 018's & 032's until we have perfected our new Cipher Card.

As you know, this will be on our NEW PLUS MODULE, The time frame for this will be the end of 1992 and the first part of 1993. These time frames are if all goes right, thus it could be delayed even longer.

I trust this clears up your concerns. I'm looking forward to seeing you in Las Vegas at the SBCA show.


HAPPY HOLIDAYS!

VIDEOCIPHER DIVISION
GENERAL INSTRUMENT CORPORATION

BY: _____
Dan Reno
Midwestern Regional Sales Manager

Transcribed from FAX NO. 5058989372

P.01 by

 12-17-90
Suzanne Baechler
CSC Boardmember

Brad, This is a copy of a original Dec. 8, 1990
General Instrument letter that you might want
To write up about in Ohio Dealer Assoc News. Sue

If you already have the Drake service manual, you can get schematics for the new products. Just let them know the latest model that is included in your manual. *R. L. Drake, 9111 Springboro Pike, Miamisburg, OH 45342, (513) 866-3211 (service department).*

FUJITSU GENERAL

With Fujitsu General's recent change from being distributed through Janeil to using their own company, Teknika, things are looking up for receiving technical documentation through Teknika's parts department.

The manuals that I have seen are fairly complete and offer test procedures, parts lists, and good full-size schematics. However, there is no theory or circuit description. Each model is sold separately for \$20.00, plus shipping/handling. The FSR4500, their latest model, is also currently available. *Fujitsu General, 353 Route 46 West, Fairfield, NJ 07004 (201) 575-0380.*

GENERAL INSTRUMENT

This is another company that has seen some changes lately but, fortunately, this hasn't impacted the service and documentation departments. Following their pricing on their modules, GI's pricing is the highest in the business with each model's service package costing almost \$60.00 each (including shipping, handling, and COD charges).

The manuals do include circuit descriptions, alignment procedures, board layouts, and schematics. You can also get just schematic packages for about \$12.00 each, which is the best way to go if you already understand the circuits. Service information on the M/A-Com receivers is still available as well. *General Instrument, P.O. Box 700, Hickory, NC 28603, (800) 845-2748, (704) 327-4700, Ext. 5147.*

HTS

HTS was a prime example of a manufacturer that used to send out schematics that were, at their best, third generation photocopies of photocopies. But over the last year or so they've pulled to-

M/

We thought about the various thumbs up or down, one to five documentation, it's like grading method to use than the old documentation.

In a nutshell here are the ratings:
A rating. Means the documentation includes schematics, adjustment information, and troubleshooting flowchart.

B rating. Means the manual is still good quality.

C rating. Means the manual has some additional documentation.

D rating. Means that the manual has some copies and are barely legible.

F rating. Means no documentation.

RATING	COMPANY
B	Channel Master
C +	Chaparral
B -	Drake
A -	Fujitsu General
A	General Instrument
A	HTS
A	Panasonic
C	STS
F	TeeComm
A	Toshiba
B	Uniden
A	Zenith

first complete collection of information to be released on the latest HTS Bryan Dandridge spear-headed project along with some 13 other contributors, all of whom get credit in the introduction which is a nice touch.

The three-ring binder service manual contains almost 200 pages of documentation specific to the Tracker V, Tracker VIII+, and Tracker IX. Included are C-size fold-out schematic block diagrams with circuit descriptions and all the test procedures, waveforms, and circuit adjustments that a technician will need.

One area that doesn't get

Satellite Retailer
Feb. 1991

RECEIVED

JUL 1 1991

FCC MAIL BRANCH

APPENDIX B

Documents to pages 7-10



Chasing That Runaway TVRO Train

Continuing to steam down the tracks through valleys and hills, the TVRO train may pass up its destination or not have enough coal to get there. One thing is sure: the engineer is not controlling the train.

by PETER J. BROWN

Help Wanted: C&F" The U.S. Department of Justice ran an ad in the *Wall Street Journal* in early February announcing that a search was underway for attorneys to fill its Antitrust Division. Could this be a sign that the TVRO industry may once again be subject to review? Given the complexity of antitrust law and the fact that most antitrust cases take years to resolve, there is no reason to get overly excited. The satellite TV industry has already been scrutinized by the Justice Department in the mid-1980s and it received

a passing grade.

But just so you know what "C&F" means in Department of Justice lingo, here goes. Quoting from the ad:

"Communications and Finance Section (C&F). Investigation and litigation of civil and criminal antitrust matters involving communications (including telecommunications, cable television, radio, and television broadcasting), finance (including banks, securities, commodities, and futures) and computer industries as well as participation in regulatory proceedings before such agencies as the FCC, SEC, CFTC, and the federal bank and thrift regulators."

Maybe your kids might be interested in applying. And we will take comfort, of course, in knowing that the same section that will be looking for questionable deals involving pork bellies or platinum will also be looking out for the best interests of the TVRO industry.

Speaking of banks, precious metals, and antitrust laws, let's focus for a moment on why the above-mentioned help wanted ad might cause a few heads to turn. GI's recent VC II Plus module price increase has caused a stir. Don't forget that this was the second such increase in 12 months. It was a hefty one. No, there is nothing subtle about a price increase in

The VideoCipher technology is now used by more than 80 subscription and pay-per-view television services to securely deliver their signals via satellite to cable system headends and to home satellite television households. The VideoCipher technology is integrated into satellite receivers produced by General Instrument and 15 licensed manufacturers.

General Instrument is a world leader in broadband transmission, distribution and access control technologies for cable, satellite and terrestrial broadcasting applications.

From a GI press release dated January 22, 1991.

the range of 30 percent, actually much more when you include the 1990 price boost. Could we use the term "excessive"? I think so.

In fact, the total amount of the 1991 price increase should now be the actual price of the module. How long is the TVRO industry going to allow GI to extract enormously inflated profits from a product that never even came close to the level of performance that GI projected? The VideoCipher track record is so dismal, so completely void of any integrity that the VC II is without precedent in the history of American industry.

Never has a company gone so far with a product that performed so poorly in terms of it spawning a vast international black market which kept pace with every single evasive tactic undertaken by GI. VideoCipher II Plus is meant to correct past mistakes; but, if so, why does the VC II Plus pricing structure seem so insulated, driven by no visible market forces, and headed even higher? VC II Plus is evolutionary only in the sense that VC II proved to be so disastrous and never lived up to its expectations.

Considering the uproar over last year's price increase, the silence in 1991 has been shocking, as if the industry has been beaten into submission.

What is worse, GI continues to pursue its own mindless propaganda war, as if

will be inspired to duplicate GI's efforts. In one of the firm's latest news releases issued on January 22 dealing with the Dec-Tec raid in Canada, GI's usual self-serving rhetoric is quite evident.

"The VideoCipher technology is now used by more than 80 subscription and pay-per-view television services to securely deliver their signals via satellite to cable system headends and to home satellite television households," they write. The nerve! Securely!!! Securely!!! This is unbelievable! It's one thing to be careless with the English language, but this is inexcusable. No system has ever been less secure. This sentence is so wildly untrue that it is amazing to find it appearing under even GI's letterhead.

PROGRAMMERS: TIME TO RETHINK THE 1980s

Now that the 1980s are over and the figures are in, it's time for the programmers to face the terrible truth. The train has left the station and it's almost empty. GI cost the premium programmers, in particular, a lot of cash. And, profits could have been much rosier.

According to industry estimates, not a single premium programmer added more total subscribers from 1986 to 1990 than total dish owners. That's right folks. HBO came closest when it went from roughly 15 million to 17.5 million, up a figure roughly equal to total dish owners or

lion. Disney went from 3.2 million to 5.5 million or up 2.3 million.

Today, none of these programmers could assert that TVRO sales accounted for much more than spare change. So that means that more than 2 million potential customers just up and walked away by the end of the decade. Vanished.

That's right. A bunch of hobbyists turned dealers, weekend installers, and good ol' boys could go out and sell these same people equipment costing hundreds of dollars, but the ultra-slick, city media-crazed programmers with all their Madison Avenue expertise could not sell these same willing and prosperous customers anything, not a dime. Why? The reason is obvious. Piracy was not the problem in the beginning. From the start, it was the VideoCipher's technical flaws — defects that GI refused to acknowledge — and the apparent lack of interest or concern on the part of the programmers that set the stage for this incredible blunder.

So now, it's costing everyone a lot more to try and correct the problem. Who is paying for it? The uninformed and unsuspecting consumer who has been betrayed by the TVRO industry, the SBCA, the Federal Trade Commission, and the Department of Justice. GI's price increase is aimed right at their throats and they don't even know it. VideoCipher con-

track record makes the product almost unique in the history of home electronics.

Programmers need to clear the air and to develop a new strategy aimed at accelerating TVRO sales. Switching over to VC II Plus alone is not the answer. Yes, it appears that it will happen and probably sooner rather than later, but the mechanics are disturbing especially when consumers are being dragged involuntarily—and at great expense—into a new decoding scheme. This, after being told just two years ago that there

was no reason to fear this type of scenario. Inaction on the part of the programmers, or failure to develop more innovative marketing schemes, will only lead to more lost revenues. Considering the lost opportunity of the 1980s outlined above, you would expect a decisive reaction.

The underlying motives of all the co-participants who are active in numerous swap-out schemes will also draw closer scrutiny. The traffic in VC II modules has been quite intensive over the past months. GI has been surprisingly quiet

about this situation as well, a decision that could come back to haunt everyone involved. However, this topic has been thrown around enough and it will be left alone for now.

THINGS GET STICKY IN WASHINGTON, D.C.

The status of the SBCA is another matter altogether. Remember, we began this article by examining a U.S. Justice Department help wanted ad. Well, the SBCA has been running its own help wanted ads looking for former FBI agents to work together in the field for the SBCA's Anti-Piracy Task Force. The FBI is part of the Department of Justice.

For years, we have been told that the SBCA is a trade organization and that it will not involve itself in pricing disputes. However, now that the SBCA is hiring large numbers of former employees of the Justice Department, the situation warrants closer scrutiny.

As the major provider of funds for the SBCA's APTF, GI has spent an enormous sum on enforcement-related activities. It is safe to say that without GI, the APTF, and perhaps even the SBCA itself, would not exist.

The SBCA's apparent reluctance to intervene in pricing matters in the past was understandable and its neutral stance was perhaps a stabilizing factor. But GI's price increase could trigger an antitrust investigation. This writer is not acting on impulse here. There appears to be a lot of grumbling going on lately. Things could get real sticky, real fast.

This industry does not need any more image problems. The issue is not corruption or conflict of interest or any other unbecoming conduct. Questions could be raised as to why the Justice Department did not act sooner or why the Justice Department did not act at all. With the APTF so dependent upon former FBI agents and GI footing the bill, it's just a very awkward set of circumstances.

The SBCA cannot remain silent. If a large and powerful TVRO company is engaged in unfair practices that are detrimental to the consumer and placing the industry at risk, then the SBCA should take a stand. Pricing policies are one thing, ripping off the consumer is something else entirely.

Is there a satellite tie-in between antitrust and telecommunications?

ALL STREET JOURNAL TUESDAY, FEBRUARY 5, 1991 B9

POSITIONS AVAILABLE

POSITIONS AVAILABLE

ATTORNEYS ANTITRUST DIVISION U.S. DEPARTMENT OF JUSTICE

The Antitrust Division is seeking attorneys to work in several sections in Washington, D.C. Responsibilities will include investigation and litigation of civil and criminal matters. Applicants are invited to write directly to the chiefs of the following sections.

Communications and Finance Section (C&F). Investigation and litigation of civil and criminal antitrust matters involving communications (including telecommunications, cable television, radio and television broadcasting), finance (including banks, securities, commodities and futures) and computer industries, as well as participation in regulatory proceedings before such agencies as the FCC, SEC, CFTC and the Federal bank and thrift regulators.

Litigation II Section (Lit II). Investigation and litigation of antitrust violations and evaluation of mergers relating to a group of commodities and services for which the section has responsibility. Such major commodity areas include primary metal industries, textiles, chemicals, machinery, aircraft, and electronic equipment.

Transportation, Energy, and Agriculture Section (TEA). Investigation and litigation of civil and criminal antitrust matters involving transportation (including airlines, trucking, railroads, and ocean shipping), energy (including oil, natural gas, and electricity), and agriculture industries, as well as participation in proceedings before such agencies as the FERC, FMC, ICC, DOT, and USDA. One to four years of experience, preferably engaged in antitrust analysis, litigation and administrative law and regulatory practice, is desirable.

All applicants must possess superior academic and professional qualifications. Applicants with more than four years of experience should possess substantial antitrust and/or litigation experience. An educational or professional background in economics is desirable. Please submit a resume or CV, references, and writing sample to: Antitrust Division, Judiciary Center Building, 555 4th Street, N.W., Washington, D.C. 20001. ATTN: Constance Robinson, Chief, C&F, Room 5104; P. Terry Luback, Chief, Lit II, Room 3035; or Mari Schechter, Chief, TEA, Room 5104. The U.S. Department of Justice is an Equal Opportunity Employer.

VICE PRESIDENT

FINANCE

With the Retail Council in a state of total disarray, the TVRO dealers' apprehensions mounting about the ties between DBS ventures and the mega-retailers, and the economy in a slump, the SBCA should take the initiative and be more forceful with respect to GI. Should GI roll back prices and even offer rebates? Fat chance, right?

NO TIME FOR TUNNEL VISION

As the satellite TV industry takes off in Europe and Japan, more questions will be raised. How, for example, can Europe get by with decoders — thus far apparently trouble-free and perhaps even superior to U.S. versions — that cost less than half of their U.S. counterparts? And what about Japan, where explosive growth has occurred to the point where the Japanese TVRO viewership is double the U.S.

Questions are always raised about the grip that the cable TV industry has on Washington, DC, and about how that translates into a huge headache for the TVRO industry. Washington has not been a fertile field for TVRO. In stark contrast to

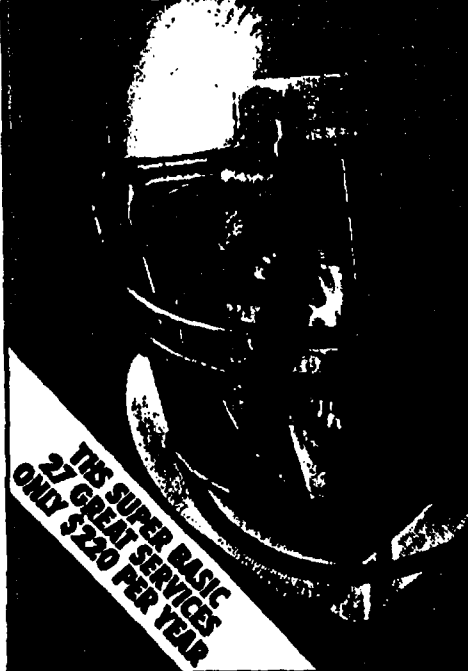


Tokyo. Satellite TV has not found any apparent support at the National Telecommunications and Information Agency which means that the White House remains lukewarm to our agenda.

With Donald Rumsfeld, a longtime star in the ranks of the Republican Party, at the helm of GI, it seems that politics will continue to be a major concern. It is unfortunate that he has not elected to postpone or even eliminate the price increase mentioned above.

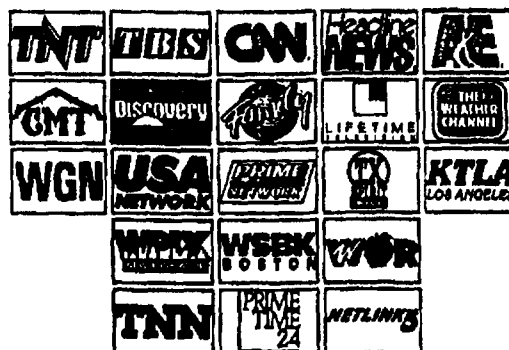
So, the train just hurdles down the tracks. The ultimate destination is not known and the passengers sense that something is wrong because the vibrations are becoming more violent. Nobody wants to make his way forward to find out who is driving the train, let alone establish the condition of the engineer. Two things are bound to happen. The locomotive will run out of fuel and coast to a stop or the ever-increasing speed of the train will ultimately propel it off the tracks. Self-destruction is not a pleasant alternative. Somebody should act quickly and ease back on the throttle. ♦

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EDITORIAL

Doing Our Own PR Thing

In December's *Satellite Retailer* we talked about the lack of participation on the part of satellite dealers everywhere. Plenty of dealers called and wrote to express agreement. Even the SBCA saw fit to write in (see page 6 this issue).

In January, we talked about the continued shipment of VC II when VC II Plus clearly should be the only version of GI's scrambling technology shipped into today's market. More mail and calls. Most of them were concentrated with ideas and suggestions on how to help the market grow and prosper for the legal dealer.

One dealer indicated that he keeps tabs with the local FBI who told him that the funds had been cut in half for signal theft investigations and it really crippled their efforts. He suggested that the Anti-Piracy Task Force funds would be better served as a means to upgrade legal dealers which would, in turn, speed up the VC II Plus conversion process. He felt this made more sense instead of spending money going after 20 boxes here and 50 boxes there.

Several of our callers expressed the need for legal dealers to be supplied with promotional materials extolling the virtues of legal satellite TV. The consensus idea seems to be a showroom poster with the slogan "If your dealer doesn't care about chipping boards, then he doesn't care about you." Good one.

Our idea is similar. Our slogan is "What message are you sending your children? If you teach them to steal programming, what will be next?" Sure, it's not a "just say NO" but it's on the right track. Dealers and consumers alike should "just say no" to programming without paying, especially if they want to continue to watch that programming in the future.

Legal dealers should be proud to display either of these ideas or any of several others. Chippers, of course, will not bother. This will serve many purposes, but the primary reason for this idea is to lend a degree of credibility to satellite TV. It will be a beacon of light pointing to the dealers who have the consumer's best interest in mind.

You realize, of course, what we are seeing here is a profound interest in the industry rather than a profound interest in making money. That's astounding. In what other industry do you see the retailers exhibiting such a zest for the entire concept? Stereo retailers don't. TV retailers don't. But, watch out if you engage a legal satellite dealer in a conversation regarding the mechanism of the industry. No other industry is so permeated with passion. Few, if any, other industries offer house calls simply for the prospective customer.

This is still the most exciting facet of consumer electronics in the world; and, if you don't believe us, just stop by and answer our phones for a couple of hours.



February 1991

TVRO

Video Pal on
VCII Plus
only

July 1990

from PPV programmers. In addition, consumers will receive a three-month free subscription to the *Satellite Pay-Per-View Guide*—a complete monthly listing of all PPV movies, sports and special events—and an offer to extend that subscription at a discount.

Toshiba Products Make Splash

Toshiba's new Super-Video IRD, the TRX-2000, has been demonstrated in a home satellite theater setting at two recent shows. The only S-Video IRD in the industry, it won an Innovations '90 award at the Consumer Electronics Show, and was shown at the June Satellite Dealers Coalition convention. Toshiba's TRX-80 integrated receiver descrambler was the only competitor in a *Satellite Retailer* test of IRDs to earn an overall rating of "best." In picture quality and subcarrier sound quality, the unit received ratings of "best" and "better," respectively. The Toshiba receiver's dish positioner also received a rating of "best," as did the unit's features and functions.

Videopal Moves Up To VCII Plus

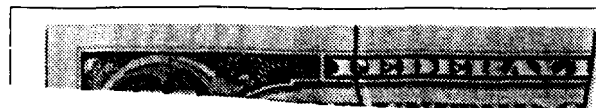
General Instrument Corp.'s VideoCipher Division has announced today that, as of May 21, new authorizations for its Videopal pay-per-view ordering system will be restricted to VideoCipher II Plus-equipped consumer satellite systems. The change is designed to take advantage of the security advancements in the VideoCipher II Plus technology to protect against signal theft. "This action is designed to protect the continued availability and access to a wide range of PPV movies and events for our current and future home satellite TV customers," said Ken Kinsman, division senior vice president of DBS Services. The several thousand currently authorized Videopal households using the first-generation VideoCipher II descrambler will be unaffected by the new restriction and will continue to enjoy unlimited access to available PPV programming.

TVRO

SATELL SALES CH

TOTAL: APPROX. 208 M

70						
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DISHES SOLD PER THOUSAND	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE



\$50 QUICK

MORE WOES

In reference to the writer of "VC II PLUS WOES" (Jan. 2-8 issue), all I can say is ditto. I had the very same thing happen to me when I went from a VC II to a VC II Plus unit on my DX DSB-900 IRD.

If this wasn't bad enough, I couldn't go any further then the first set-up screen and then it locked.

I yelled and screamed at Netlink for giving me shoddy service and cancelled the Denver 5 because there wasn't a subscription appearing on my TV screen (poor Craig at Netlink!).

So, don't upgrade to the VC II Plus. I did and in the end I had to sell my DX DSB-900 and buy a new IRD (Panasonic CRD-4500).

Where is the FCC to protect us consumers? Why is GI allowed to make a product that is not compatible with IRDs in the marketplace?

Henry Dragonetti,
Townville, SC

The FCC has indicated that they are satisfied with the performance of GI in the encryption field. They have said that no regulation is necessary. GI has, according to sources, admitted to a problem with some of the production model connectors and even has a fix for them, but they are handled on a per-inquiry basis.

As for upgrading, we recommend that people upgrade as the opportunity arises and the price is right. If you have a legal VC II, you should not have to pay for an upgrade. If you have an illegal VC II, you will have to pay or do without when the VC II data stream is turned off.

If we ever want to see the prices come down and the availability go up, we will have to be a predominately legal industry. If the programmers were realizing the subscription sales of 80 to 90 percent of the industry rather than 30 percent of the industry, they would be much more inclined or easily persuaded to reduce prices.

NO COMMENTS PLEASE

With the advent of stereo receivers, is it technically possible for the networks to telecast sporting events without the "color" commentary and other useless verbiage on one audio channel so that we can just hear the stadium PA system? NBC did it once as an experiment, which they said was inconclusive. If you could publish the

addresses of the such decisions, I'd them directly. Tha

Your wish is o but not necessarily feeds air the crow subcarrier. The re rier is to supply af, terial for their ou encrypted network, carry this subcarr, tune up or dow, sound of a backha find the crowd ne the network com We periodically, addresses, so wat

BBC NEWS

We're broker pull in the BBC 12. They disappe eral months ago. enjoy your magaz

The only Briti find information VisNews (Lo W4, 12 VisNews (Lo

DR. L

Dear Dr. Disl

I have a GI 2 stereo on F1. are very helpfu swer. It seems birds out there can't benefit. C

The 2600 au tomatically gi every VideoCi satellite. If thi your receiver, problem. If the stereo and it's nels that you h it is a matter o stereo audio channels.

The proble the 2600 and 2 audio tuning lar satellite m only stored i

OW SAT
TV Guide

- 20 CBMT The
of Notre Dame
380) ★★ A teach-
linary skills are put
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lls at a Canadian
school. *Thomas*
3 (2:00)
3 American Telecast
J Tech & Business
ications
NICK Dobie Gillis
NICK Dragnet
J KTVT Hunter
J WPIX Jeffersons □
ABC Baby Talk □
J CVS Arachnophobia
(see pages 19-20)
12 INCH Canadian News
1 NBC F2 12 S WXIA
Late Night With David Letter-
man
F2 2 S WBBM Arsenio Hall
□
S2 2 NETV Moyers -- The
Arab World □
5 CHAM Today's World
23 SCOLA News From Pak-
istan and India
11:35 pm
G1 5 S SHOW 30-Minute
Movie
11:50 pm
G1 17 S TNT The Fastest
Guitar Alive (Musical, 1967)
★★ Confederate spies mas-
querade as entertainers to
steal gold from the San
Francisco Mint. *Roy Orbison*
(2:00)
12 AM
F1 1 S FAM 700 Club
2 S KUSA M*A*S*H
6 S KMGH Dark Justice
7 S PRTK Press Box
11 S SUN Winter Speed
12 S KRMA Moyers -- The
Arab World □
14 S KWGN Soap
G1 1 G3 23 CTV SCTV
4 S DIS Curly Top (Mus-
ical, 1935) ★★½ An adorable
orphan captivates the weal-
thy trustee of an orphanage.
Colorized. *Shirley Temple*. □
(1:15)
9 S ESPN College Bas-
ketball Slam Dunk and
Three-Point Championship
10 S TMC The Return of
Swamp Thing (Fantasy,

Almanac of Travel

- 10 S USA Hitchhiker
13 S HBO I'm Gonna Git
You Sucka (Comedy, 1988)
★★½ A motley crew of black
vigilantes wage war against
street crime in this parody of
black exploitation films of
the '70s. *Keenen Ivory Way-
ans*. 'R' Adult language, ad-
ult situations, violence □
(1:27) (In Stereo)
20 BET Sanford
23 S MAX Side Out (Co-
medy, 1990) ★★½ A Milwau-

T2 10 ABC 20/20 □

- F4 6 S MSG Knights Foot-
ball
12 INCH Vietnamese News
21 NOST Scarlet Street
(Drama, 1945) ★★★ A
middle-aged cashier who
dabbles in painting becomes
easy prey for the manipula-
tions of a young woman and
her seedy boyfriend. *Edward
G. Robinson* (1:45) □
24 S PLAY Playboy 360
F2 4 S WABC Empire of the
Ants (Science Fiction, 1977)

DR. DISH

By Richard Maddox

Dear Dr Dish:

I have a GI 2500R IRD. Last September I up-graded to a VC II Plus module; but, when I tried to authorize it, my SET-UP 1 screen would not come up. I called GI and they said my module must be defective. After three weeks I finally got it back but had the same trouble. If I unplug my receiver for several minutes, it will work (SET-UP 1 will come up) for a while. I again called GI who admitted to having a problem. Three months later and still no word. Do you have any information about this problem?

Ron Sehnert,
Dorchester, NE

Evidently GI's left and right hands (the VC II Division and the IRD Division) don't know what the other is doing since it seems that only GI IRDs are having problems with the new VC II Plus modules.

It seems that there is some timing problem between the module and the microprocessor in the IRD.

It accepts the SET-UP key command, but when you press 1 the receiver grabs it and changes to channel 1. At this time GI does not yet have a solution, but as they say, they're working on it.

For now their only suggestion was to leave the receiver turned on all the time, especially if you get any of the VC II remote functions to work and to call GI (800/344-6754) to let them know you have this problem. At that time they'll take your name and number so they can contact you when the solution is found.

If you have a technically-oriented question on your satellite system, or on satellite television in general, you now have a place to write for an answer. Send your question to the address listed below. Sorry, Dr. Dish is unable to send you a personal response.

Dr. Dish

c/o OnSat

PO Box 2181

Lynnwood, WA

98036-2181

FRIDAY PRIMETIME

OFFICIAL 1991
ON SAT TV GUIDE

free and all subsequent rentals are \$3.99 each.

I feel that their type of sales method is unfair and will hinder their efforts to promote the services they offer. The operator I spoke with was courteous but not very knowledgeable of the service she was trying to sell.

Can you tell us what services and special events they intend to market?

Gary Pfahler,
Lomita, CA

TVN is now operating 10 PPV channels on Telstar 303, channels 1-9, 20, and a preview channel on 24, and are offering 10 different movies simultaneously for your PPV convenience.

By tuning to T3, 24, you can find out which channel is offering which movie and when it will be starting. According to a customer service representative we talked to, authorized VIDEOpal users can simply rent any of the TVN offerings as normal. VC II Plus users without a VIDEOpal are charged a one-time fee of \$19.95 to use the service by calling (800) 232-4TVN.

The CSR said that the Automatic Number Identification system is not

the 70 MHz Loop rather than the base-band connections. This means you will have to use certain connecting cables, al-

poses of clarity or space. Sorry, but we are not able to send you a personal response.

DR. DISH

by Richard Maddox

Dear Dr. Dish:

I have a DX900 IRD which I recently had to upgrade with a VC II Plus (since my VC II module went bad). Unfortunately, it does not work right. After reading about other people's problems with the VC II Plus in an earlier Dr. Dish letter, I called GI about being added onto their list, but it turns out their list is only for GI IRD owners! Help! All I can do is access the first screen but then it locks up the receiver. Unplugging it helps. And now I find DX is no longer in the home satellite business. Is there any advice you can give me?

H.B. Dragonetti,
Townville, SC

DX may no longer be in the home satellite business, but they still make

commercial receivers and still service their home satellite equipment. Their phone number is 914/347-4040 (Hawthorne, NY).

The lock-up problem is due to miscommunication between the receiver's microprocessor and the module's microprocessor due to timing differences between the way the VC II talked to the receiver and the way the VC II Plus communicates — or fails to communicate.

It basically boils down to GI's new software (VC II Plus) which isn't backwards compatible with the VC II operating software as GI has claimed. It's totally a GI caused problem, although they're currently not offering any solutions to the consumer.

See More Dr. Dish on page 87

Taken
3-28-91
to atty gen.
to office

This documentation is in reference to
#CF-91-01595.

Suzanne Baechler

VC II PLUS BLUES

I am wondering if you have heard (or if you can find out) if General Instrument has put out any service bulletins or recalls on their VC II Plus modules? Sometimes I am not able to get the menus on screen. When you push "Set Up," then the appropriate number, the IRD changes channels instead of displaying the menu requested. I never had that problem with my original VC II module, so I don't think that it is in my IRD. Any information you can find out would be most appreciated.

D. Baker,
Kingfisher, OK

Yes, this is a problem with VC II Plus modules. The quick fix is to unplug the IRD from the wall outlet for 15 seconds or more. This will reset two of the module's chips that are causing the problem. Unplugging it more than once may be necessary. The long-term fix is to replace the module. GI will send you one as soon as they finish field tests on their new VC II Plus modules in about four weeks. Call the GI hotline at (800) 344-6754 and get on their replacement module list.

LETN WANTED

I am trying to find information on L.E.T.N., the Law Enforcement Television Network. Is it C or Ku and sub-

those who haven't already seen the series is that the network has already aired it two of those four times. So, although a firm date has not been set for the remaining two airings, you still have a chance to see it if you keep an eye out for it. Naturally, as long as we get word on it, you will see a special note in OnSat on where and when to find it.

You can obtain PBS program schedules by writing to: PBS, 1320 Braddock Place, Alexandria, VA 22314.

MORE PRODUCT REVIEWS

Sometime ago I purchased through Triple D Publishing a satellite TV product review book that listed the likes and dislikes of satellite receivers as tested by Mike Gustafson. He also wrote articles for the now defunct STV Guide magazine which I also subscribed to in the past.

I am in need of another such product review book that lists the good and bad parts of receivers, feeds, LNB's (both C and Ku), and antenna movers. What I need are the specs of the equipment. Can you help me locate such a review book?

Michael Kost,
Mt. Union, PA

Triple D Publishing is considering a compilation of product reviews of receivers that are still in production. Our product reviews try to focus on the good

arises, it must be noted. Most products still on the market today can be considered quality products.

We have not evaluated any feeds, LNBs, actuators, or antennas because there are not enough hours in the week to do those and receivers too. We periodically print "roundups" which list manufacturers of these components, but a comparative shopper would have to obtain their specifications to make qualified judgements.

WIND DAMAGE

I have a Prodelin 10-foot fiberglass dish with eight panels which was damaged in a recent wind storm. I understand the company is no longer making fiberglass dishes. I would like to know if anyone still has replacement parts for it, mainly the panels.

Bill Hoover,
Punxsutawney, PA

Fiberglass dishes by Prodelin are not as rare as Punxsutawney, Philadelphia, is. Give them a call in Conover, North Carolina, at (704) 464-4141 and they will help you with the parts you need for your dish.

Letters to Mailbag should be addressed to OnSat Mailbag, P.O. Box 2347, Shelby, NC 28151-2347. You should include your name, address, and home telephone number. Letter may be edited for purposes of clarity or space. Sorry, but we are not able to send you a personal response.

EDITOR'S NOTE: In our May 5-11 issue, J.S. of Inverness, Florida, was looking for parts for his Parabolics East dish and mount. Mr. Bob George of Astro Star contacted our offices to let us know that a former Parabolics employee, Michael Pass, has on hand a supply of parts and a price list for Parabolics East equipment, most of which is UPS shippable. He can be reached at P.O. Box 4426, Little Rock, Arkansas 72214, (501) 985-0748.

ADDRESSES REQUESTED

In your April 21-27 issue, you did a feature on the new KTI Pro-Form XI-7 Plus satellite dish.

I'd like to know if you could supply me with a list of distributors for this dish, preferably in the Midwest.

Leslie J. George,
Plainfield, VT

Kaul-Tronics was happy to provide us with the names and phone numbers of their distributors in the Midwest: Echosphere in Illinois (800) 521-9282 or (708) 766-1648; Bursma Electronics in Michigan (800) 777-2604 or (616) 459-4325; O'Rourke Brothers in Illinois (800) 523-4730 or (309) 762-7936; and New World Satellite Equipment in Wisconsin (800) 999-5285 or (608) 647-4131.

VC II PLUS WOES

Anyone planning to upgrade to the new VC II Plus might want to think twice. I just did, only to discover a very serious drawback to the new modules.

When tuned to a scrambled channel to which you have subscribed, the VC II Plus periodically goes black, flashing the "No Subscription" message. You can restore the program by changing channels ahead, then back. However, the VC II Plus is useless for timer recording, or even for clean recordings of programs you are watching, as the thing is prone to switching off and on.

I called the company's toll-free number and was told, yes, this is a problem with the VC II Plus. Too bad.

It's the kind of problem that home dish owners would do well to avoid, or at least raise hell about.

Guy MacMillin,
Chesterfield, NH

We are aware of some problems that the VC II Plus has encountered. One of the first and easiest to correct is a mating problem between the module and IRD connectors. Some units that have

difficulty authorizing viewing can be cured by reseating the module. Be sure to unplug the IRD.

We have heard of some units occasionally dropping out and then coming back on during normal viewing. We have not experienced it here at Triple D Publishing with the several VC II Plus modules we own except where we have induced a dysfunction in the system such as driving the rotor-polarizer or dish off optimum tuning. Some IRDs allow tuning the video off for individual channels which could contribute to selected channels dropping in and out. When the signal drops out, try hitting the **SETUP** key on your remote, and then selecting number 1. If your signal quality is less than 9 or 10, it may indicate a tuning problem in any of the above. You may need to have a serviceman come and peak your system up.

"SPORTS VIEW" RESPONSE

This is in reference to your May 5-11 article, "Sports View" by Marty Linehan, about banning smoking in the Oakland stadium (even though it is outdoors). Why do people think they can light up and let their smoke blow into other people's faces and not have anyone mind? Most of the time they hold their cigarette away from their own faces and let the smoke go over their shoulder. They try to act like they don't realize they are smoking their neighbors out of the place. I've never had the nerve to say anything and I feel smokers take advantage of that. Cigarette smoke makes me feel physically ill.

I grew up around a smoker. My dad smoked but could never quit. He died at the age of 65 from smoking.

I think I have a right to breathe clean air when I go to a sporting event.

Marion McCarty,
Kingsdown, KS

SEARCHING FOR THE PADRES

I was wondering if you have any information on the location of backhauls for the San Diego Padres? They have a new cable network but I haven't been able to find it. I saw some tests done on W5, 13 but I think that was all it was.

In addition, I would also like to know what type of scrambling is used for baseball backhauls.

Tom Wilson,
Loomis, CA

Your best bet for San Diego games on satellite will be when they are playing teams like Atlanta, L.A., Cubs, and Mets. We are not aware of any satellite location for the Padres. (If anyone knows, drop us a card in the mail and we'll get the word out.)

MLB uses the VideoCipher I encryption for their backhauls. Sorry, VC I is not compatible with the VC II. However, due to occasional technical problems, you might be able to catch between 20-40 percent of the backhauls in the clear during the season.

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DR. DISH

by Richard Maddox

Dear Dr. Dish:

I have a Fujitsu General receiver, model FSR6000, that has some problems with the Polarotor, on-screen display, and remote working erratically. Do you know what causes these? And can you supply the name and address for Fujitsu General?

Dale Francisco,
Scottsbluff, NE

Fujitsu is represented in the USA by Teknika Electronics. Their phone number is (201) 575-0380. Their address is 353 Route 46W, Fairfield, NJ

07004.

There are usually only two external sources that could cause these problems — power line noise and a defective IR remote control. Power line noise can cause false triggering of the microprocessor. Using a noise filter/spike suppressor will help if this is the source of your problem.

Remotes can do some pretty strange things when the battery gets low. Try removing the batteries for a while and see if the display comes on by itself or if the Polarotor starts to jump around.

See More Dr. Dish on page 87

STATEMENT OF CONSUMER COMPLAINT AGAINST GENERAL INSTRUMENT CO.

FILED WITH MO. ATTY. GEN. WILLIAM WEBSTER OFFICE

WITH DOCUMENTATION

By SuzAnne Baechler

I have been living on my farm for over 23 years in the rural area of Macon County. Due to my location, cable television services are not available to me and I'm not able to receive over the air TV broadcasts due to our Highway Patrol towers terrestrial interference.

I was introduced to Satellite TV in 1987 thru a local satellite manufacture. Through publications (documentation enclosed) I learned I could receive marketed satellite programming services in my rural location by way of satellite system ownership.

In 1988 I purchased a complete packaged General Instrument Satellite System from Chariton Valley Communications salesman and installer Mr. Jim Finney of Bucklin, Mo. (documentation enclosed). I choose the GIC satellite system because I had learned GIC was the sole control and manufacture of the programming defacto standard reception equipment via satellite. (GIC testimony, advertisements, news articles enclosed) Later GIC advertised that as a satellite consumer I had to buy another piece of equipment for my satellite system in order to receive all the marketed satellite programming services available to consumers (documentation enclosed). In the winter of 1989 GIC told the public they were changing the satellite security systems from a Video-cipher II (VC-II) to a Video-cipher II PLUS (VC-II PLUS) security decoder, (documentation enclosed).

GIC later told the public the VC-II would not be obsoleted and the programmers would not abandon the VC-II satellite subscribers (documented GIC statements enclosed). In 1990 GIC told the VC-II Video Pal owners, the extra piece of equipment I had to buy to receive all marketed programming, that we would eventually not be allowed to receive our pay-per-view programming sometime in the future unless we upgrade our satellite systems to the new VC-II PLUS security. (Documentation enclosed).

GIC set up a Product Evaluation Program (PEP) for all their Video Pal consumers to switch our VC-II to a VC-II PLUS as the Video Pal would eventually not work with the VC-II. I agreed to participate in the GIC program as GIC said there would not be any inconvenience or cost to me, the consumer, for this change over to the VC-II PLUS so I could continue to receive all my programming services in the future (GIC documentation enclosed).

In August of 1990 I received my first VC-II PLUS, version 1.10 from GIC in the PEP program. (documentation invoices enclosed) I had nothing but trouble with the switch over of programming and the VC-II PLUS operation. It took up to 48 hours of my already paid in advance premium programming services to change their authorization services from my VC-II to the new VC-II PLUS, leaving me temporarily out of my services I had already paid for but was not receiving.

I also found that when I watched my paid services the VC-II PLUS would de-authorize my reception of these services and I would have to switch channels and then come back to the one I was watching in order to get the VC-II PLUS to re-authorize the programming. When the de-authorization would happen a ciron would appear on the black out TV screen telling me I was not authorized for this programming service. Add to that problem I was also having trouble with the VC-II PLUS menu display. The menu display is suppose to show me what programming I have purchased, how much it cost and my satellite programming reception rating. The menu display never worked properly on the VC-II PLUS for me. I contacted GIC and they told me they were sending me a different VC-II PLUS and for me to return the first VC-II PLUS when I receive the second one.

After receiving the second VC-II PLUS and installation of it I transferred my programming from the first VC-II PLUS to the second VC-II PLUS (documentation enclosed). Unfortunately I had the same 48 hour premium programming authorization wait, the same VC-II PLUS programming de-authorization and the same non-working menu screen. I called GIC and reported this. They told me this was another Version 1.10 VC-II PLUS and they are not working well for consumers. I was told they were sending me another VC-II PLUS (my third) but it would not be a Version 1.10. I received the third VC-II PLUS and it was a Version 1.10 and had the same defective operations as the other VC-II PLUS's.

I called GIC and they said they were sorry but that was the only kind they had to send me. GIC's supervisor Kevin O'Conner called me and we discussed the problems of the VC-II PLUS and that I was not the only one having these problems with it. The supervisor informed me the GIC VC-II PLUS was not compatible with my GI satellite IRD. He told me to just keep unplugging my satellite equipment for 5 minutes and then plug it back in everyday to get it to work for me. He told me GIC would make their VC-II PLUS compatible with their GIC IRD in October 1990. October came and went. I called GIC and asked when they were going to get this non-compatibility equipment problem fixed. They said it would be taken care of by January 1991. January came and was about over when I gave up having to plug and unplug the equipment and putting up with the deauthorization of my services. I sent back to GIC the VC-II Plus and installed my original VC-II that I never had any problems with (documentation receipts enclosed).

When I went to reauthorize my programming from the last VC-II PLUS to my VC-II at the General Instrument Satellite Video Authorization Center, I was told I could no longer receive all my former programming on my VC-II. (documentation enclosed). I was told I could only be allowed to receive a 8:00 P.M. and a 10:00 P.M. program on one pay-per-view service and that is Viewers Choice. (documentation of programs I use to receive on VC-II, statements enclosed) They said they were sorry but that's the way things go for VC-II consumers.

The non-authorization of the programming, I use to receive on my GIC packaged VC-II satellite system and Video-pal (documentation enclosed), has obsoleted my system of it's intended function I purchased it for. Because of GIC I'm left with a 2 year 6 month old obsoleted satellite system that no longer functions for my needs but that I still have to make bank payments on. (bank contracts enclosed).

Now GIC has publically announced that they are upgrading the VC-II PLUS security to a stronger security decoder called VC-II PLUS MOM (with a built in Video Pal) for 1991 and even another decoder called the Cipher Card Based Module for the first quarter of 1992. (GIC statement to the press enclosed) We are told the consumer will have to pay for these changes and the first being a price increase of \$72.00 added to the decoders cost as well as have to purchase decoder upgrade warrenty insurance. (documentation enclosed)

We were told the VC-II decoder was the only decoder we would ever need and that the VC-II was the satellite industries defacto standard. (documentation of advertisements, news articals, GIC statement to Congress and former FCC chariman Mark Fowler testimony to Congress)

I live on a extremely limited widows income and my satellite T.V. is all I have to fill my days and nights. For GIC to decieve people, into purchasing a major product like the satellite system, through advertising and news articals, that a VC-II is the only security decoder a satellite consumer will ever need to purchase, to subscribe to all commercial marketed satellite programming services, is a crime against honest consumers. General Instruments ongoing decoder change overs appear to be a elaborate pyramid scheme to bilk more money out of the honest consumer. If the consumer does not go along with these change overs of decoders they loose the ability to receive the programming they pay for.

Why is our government knowingly permitting GIC to have this market power and freedom to discriminate against the honest consumer? GIC ever constent decoder changes has left the consumer confused and forever paying for these change overs.

For the record I want it known the GIC used my letter, that I wrote to Mr. Larry Dunham about GI products when I purchased my GI Satellite system, for financial gain by publishing it in their first TVRO publication issue to satellite dealers. GIC never asked me permission to use my letter and name in this publication. (documentation enclosed).

I want GIC to reimburse me the full contractual amount of all my satellite and equipment I purchased for it's use on the grounds that they have intentionally obsoleted my system from the use I intended and purchased it for.

THE FOLLOWING ATTACHMENT IS LIST OF PURCHASES
AND TOTAL
contract copies are enclosed



CONSUMER COMPLAINT FORM

send to
WILLIAM L. WEBSTER
 Attorney General of Missouri
 Consumer Complaint Unit
 P. O. Box 899
 Jefferson City, MO 65102
 1-800-392-8222

The Attorney General of the State of Missouri has the authority to investigate business or trade practices and to take legal action on behalf of the State of Missouri in order to stop fraudulent or deceptive practices.

Attorney General William L. Webster does not have the legal authority to assert your individual private rights.

The Attorney General is PROHIBITED BY LAW from providing legal advice to you. To preserve any private legal rights you may have, you may wish to see a private attorney and, in appropriate circumstances, assert those rights in the Small Claims Court.

- Be sure to complain to the company or individual before filing this complaint.
- Type or print clearly in dark ink.
- Incomplete or unclear forms will be returned to you.
- Enclose copies of important papers concerning your transaction such as contracts, invoices, brochures and cancelled checks. Do not send originals that you would like returned.

After we receive this completed form, we will review it to determine if the Attorney General has legal authority to proceed.

CF-91-01593 S Baechler
 General Instruments
 1/23/91

CONSUMER COMPLAINT FORM

Information About the Consumer

Your name: Suzanne Baechler
 Address: Rt 4 Box 169 Macon Mo
 Home phone: 816-385-2526 Work phone: _____
 Age: 53

Information About the Company

Company's name: General Instrument Corporation
 Address: 6262 Lusk Boulevard San Diego CA
 Phone: 619-535-2400
 Name of salesperson: Jim Finney of Chariton Valley Communications
 What merchandise or services is your complaint about? obsolescence of Sat
 Was the merchandise or services advertised? ☒ Yes ☐ No
 If yes, how was it advertised (i.e., television, newspaper, radio, etc.)? If possible, list specific name and date of publication.
Magazines + newspapers - doc

Information About the Merchandise or Services

Did you buy the merchandise? ☒ Yes ☐ No
 Date of purchase: 6-27-88 and 9-17-88 and 8-2-
 Amount of purchase: \$2,744.35
 Method of Payment (check one):
☐ Cash ☐ Check ☐ Credit Card ☒ Time Payments ☐ Other (explain)

IMPORTANT: Please attach or include with your complaint any relevant material, contracts, warranties, receipts, cancelled checks, etc. Include any false or fraudulent statements made to you, either in writing or verbally. (Provide as much detail as possible. If this complaint involves a vehicle, please indicate the make, year and vehicle identification number.)

I have attached a typed statement of my complaint against General Instruments Corporation (GIC) and attached documents to said complaint of 4 pages.

(Add additional pages if necessary)

Action You Have Taken

Have you contacted the merchant about the problem? ☒ Yes ☐ No

If so, what is the name of the person you contacted? General Instrument's Kevin O'Connor

Explain what happened when you contacted the merchant: Mr. O'Connor said the incompatibility of the satellite equipment would be corrected by G.I.C. by October. It was not corrected - I called G.I.C. back and spoke with "Debie" who told me it would be fixed by January 1991 - The equipment was never fixed.

(Add additional pages if necessary)

Total contractual costs of my satellite system and equipment.

Have you contacted any other agency about your complaint?

☒ Yes ☐ No If yes, please indicate the name and address of each agency contacted.

Federal Trade Commission, Federal Communications Commission, Congressman Volkmer, Senator Danforth, Senator Hollings, Senator Inouye, Senator GORE

Have you contacted an attorney?

☐ Yes ☒ No If yes, please indicate the name and address of the attorney.

General Information

Have you been sued regarding this matter? ☐ Yes ☒ No If yes, when?

Have you filed a lawsuit concerning this matter? ☐ Yes ☒ No

May we provide a copy of your complaint and information to other governmental or consumer complaint agencies? ☒ Yes ☐ No

May we provide a copy of your complaint and information to the merchant against whom you are filing this complaint? ☒ Yes ☐ No

Are you willing to testify in a court of law to the facts that you have stated in this complaint? ☒ Yes ☐ No

BY FILING THIS COMPLAINT, I UNDERSTAND THAT THE ATTORNEY GENERAL IS NOT MY PRIVATE ATTORNEY, BUT REPRESENTS THE PUBLIC IN ENFORCING LAWS THAT PROTECT THE PUBLIC FROM FRAUDULENT OR DECEPTIVE TRADE PRACTICES. I AM HEREBY ATTESTING TO THE ACCURACY OF THE STATEMENTS MADE IN THIS COMPLAINT.

Your signature

Date

February 5, 1991

Transponder®

October 1990

Vol. IV - No. 10

By Bill Wardino

Ron Hawkins purchased a complete satellite system more than two years ago. The North Dakota consumer was tickled with the technology and the tremendous volume of programming his home satellite system offered him and his family. He was so thrilled he subscribed to more than a thousand dollars worth of programming.

"I think I subscribed to everything that's available," he told *The Transponder*. Hawkins was really enamored with his new found toy, that is, until the battery in the decoder module in his IRD went dead. Of course, the unit was now out of warranty.

Hawkins knew he'd have to pay for the battery replacement, but it didn't bother him. He just wanted to get it replaced as quickly as possible so he might continue to enjoy all the programming he'd paid for. Remembering an advertisement on a satellite show he had recently seen, he called a company called Lee Hadlock, Inc.

A retired military man, Hawkins explained the symptoms his system was showing over the phone, then agreed to send his IRD to Hadlock's company for repair. He only hoped the unit wouldn't be gone for too long. He wasn't quite willing to admit to himself that he was addicted to his expensive toy, but he could feel a slight depression beginning to set in.

Consumer Has Legal VCII Confiscated Part I

The unit was returned to Hawkins in little more than a week: he was pleased. He noticed that he had a new I.D. number but didn't give it a second thought. "I just called all the programmers," he told us. "They turned me right on. It wasn't a problem."

As luck would have it, a few months later Hawkins' super system was hit by lightning. His Echosphere IRD went down. "I packed it up and sent it to Echosphere. 'That's when all hell broke loose!' he told us.

Apparently the VCII module escaped injury. But the receiver needed repair. This didn't seem to be a problem until he was told by Echosphere that they were confiscating his module. "They told me that since the module had been modified they could not return it. They told me that was G.I.'s rule," he alleges.

Hawkins was confused. He wasn't a pirate. Why would they want to confiscate his module and force him to buy a new one? It just didn't make sense to him. "I looked in my (IRD) manual and it didn't say anything about not being able to have it repaired, except at G.I."

Mike Lonigro, Director of Operations for Colorado-based Echosphere, told *The Transponder* his company, as part of its contract with General Instrument, must confiscate any module where the seal has been broken. "When the matter was brought to my attention, I became involved. When my technicians told me the module had not been modified to illegally intercept satellite signals, I spoke with G.I. and the problem was eventually solved."

Lonigro didn't want to discuss whether Hawkins was a victim of a TVRO industry system that was frantic and panicky regarding signal theft. "It's in the contract and I can't risk the company's license," he said in defense of Echosphere's actions. Lonigro agreed without a license to sell IRD's, they'd probably have to close their doors. "I'm just glad we were able to take care of the problem. We always want to serve our consumers."

Hawkins agrees: "They (Echosphere) were really nice to me. I believe they were almost as frustrated as I was."

Hawkins claims he spent an hour on the phone with a representative of G.I. after his module was confiscated. "I'd heard they were the 'Big Bad Wolf.' But they were very nice to me. I can't really complain about them."

Continued on page 6

VCI Confiscated

Continued from page 1

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have any more problems later on. I think it was worth the extra money rather than get entangled in another mess."

The first question that arises out of all of this is: "Does a consumer have the right to have his VCII decoder repaired where he pleases?" According to Larry Helland, an attorney and legal counsel for the American Home Satellite Association, there's no doubt about it. "Of course they do," he told The Transponder. "Once a unit is out of warranty a consumer has the right to send his property anywhere he chooses. Anything else would be anticompetitive."

Helland believes some consumers "get caught in a dragnet. I

mediately comes to mind is: How was Lee Hadlock able to give Mr. Hawkins brain dead receiver a new identity?

According to Hadlock, the process is simple. "I purchase brand new VideoCiphers, and scrap them for parts." "Before I scrap the unit for parts, I extract the identity and hold it in limbo until I need it, like in Mr. Hawkins case."

Hadlock also feels that the situation is deplorable. "They (G.I.) don't want outsiders working on their modules. They're paranoid," he said.

Continued on page 7

TRANSPONDER OCTOBER 1990 PAGE 7

VCII Confiscated

Continued from page 6

Hadlock doesn't pull any punches about his ill reputation throughout most of the industry. "I'm not a hacker. I've never been legally accused," Hadlock believes because of his friendship with Shawn Kenny, who was previously tried and convicted of signal theft activities, he has suffered undue criticism. He also believes he has the answer to G.I.'s problems, but claims they won't listen to him.

"I've worked as a consultant to Disney and United Video. I don't think either of those two companies would have anything to do with me if I was a hacker," Hadlock says in his own defense. He went on to describe how certain circuits could be shrunk to prohibit hackers from altering module boards.

Obviously, there are other questions that arise from this situa-

tion. Does the consumer really own his VCII? Is it legal or illegal to extract the identity of a board if it has in fact been purchased and paid for and has not been altered or modified? What is the proper procedure to be followed by repair facilities if they find themselves in receipt of a compromised unit?

Is the situation likely to change? No one seems to know at the moment. Insiders say that since G.I. was recently purchased by a subsidiary of Forstmann Little & Company, anything is possible.

General Instruments has been contacted for answers to various questions regarding this issue and they've promised to research them and return our call. As of press time we hadn't heard back from them.

For answers to these questions and more, see part two of this Transponder exclusive in November's issue.

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BEFORE THE
Federal Communications Commission

WASHINGTON, D.C. 20554

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Federal Communications Commission
Office of the Secretary

In the Matter of

Inquiry into the Need for a)
Universal Encryption Standard)
for Satellite Cable Programming)

FCC MAIL BRANCH

Gen. Docket No. 89-78

TO: The Commission

COMMENTS OF THE
NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE

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Dated: June 19, 1989

that there were 300,000 authorized VCII decoders, as compared to 504,211 decoder units shipped. Using these numbers, up to 41% of all descrambling units were unauthorized.

20. In 1988, Congress responded to the need for stiffer penalties for decoder piracy and other problems in the developing HSD market by enacting the Satellite Home Viewer Act. At the same time, the FBI addressed the illegal decoder pirate market with several raids and arrests nationwide, while SBCA and GIC reportedly spent millions of dollars in anti-piracy activities.

21. GIC also adopted software and hardware modifications. Electronic countermeasures (ECM's) were employed to reduce the existing base of pirated boxes. "Chip-on-board" and "Dash 7" were touted by GIC as technical solutions to reduce or eliminate piracy. Chip-on-board, however, has been abandoned by GIC for VCII, and Dash 7 has been compromised. Not only do pirates chip the latest versions of VCII hardware shipped into the market, they continue to retrofit and repair units knocked out by ECM's.

22. In total, GIC has shipped to date approximately

1.6 million decoders into the marketplace. There are currently 526,000 VCII's authorized to receive programming. In the NOI, the Commission refers to this installed base of authorized decoders as "legal" decoders. NOI, supra at p. 1209. Because of the "three musketeers" technique, however, a sizeable portion of these 526,000 authorized decoders could actually be receiving most or all scrambled programs illegally, at the cost of a single program authorization. In addition, a new and more sophisticated pirate methodology, the "Keyboard Wizard" requires no authorization of any kind. These units do not appear in the DBS Center authorization count.

23. Without doubt, the incidence of piracy today is easily 60% and informal estimates by some industry officials peg it as high as 70 to 80 percent. Piracy has gotten worse despite the industry's efforts to reduce or eliminate the problem.

24. The incidence of piracy is a function of numerous factors. Chief among them are the price of decoders and the price of programming. As either increases, so does the underlying motivation for piracy. Unfortunately, both are increasing. The wholesale price of stand-